GOVERNMENT OF INDIA
DEFENCE
LOK SABHA

UNSTARRED QUESTION NO:271
ANSWERED ON:20.10.2008
PROCUREMENT OF DEFENCE EQUIPMENT
Agarwal Shri Dhirendra;Khan Shri Sunil

Will the Minister of DEFENCE be pleased to state:

(a) the details of import of defence equipment alongwith their value during the last three years and the names of the countries from where these have been imported;

(b) the steps taken by the Government to undertake indigenous manufacturing of these equipment; and

(c) the success achieved in this regard?

Answer

MINISTER OF DEFENCE (SHRI A.K. ANTONY)

(a) to (c): A Statement is attached.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF LOK SABHA UNSTARRED QUESTION NO. 271 FOR ANSWER ON 20.10.2008

Procurement of defence equipment is made by the Government from various indigenous as well as foreign sources to meet the requirements of the Armed Forces.The import option is exercised when it is necessary to procure the items within a definite timeframe on operational grounds to bridge the capability gaps and normally when such equipment cannot be sourced indigenously within a specified timeframe.Expenditure incurred on import of defence equipment during the last three years is as follows :

(Rs. in Crores)

Year	Expenditure incurred on import of defence equipment
2005-06	12101.49
2006-07	10022.00
2007-08	15026.68

Major countries from which the imports are made include Russia,the USA,the UK,France,Germany and Israel.Divulging further details with regard to import of defence equipment will not be in the national interest.

Steps taken to encourage indigenous manufacturing include: (a) rationalization of offset policy to include offset credit banking to enable creation of offset programmes by foreign participants in anticipation of future obligations;(b) products developed by the respective Workshops of the Armed Forces for `in house' requirements can be procured from these agencies under `Buy (Indian)' category;(c) provision of Transfer of Technology,if required,to an Indian public/private firm for providing maintenance infrastructure to be applicable for `Buy' category cases, where equipment is being bought from foreign vendors; and (d) procurement under `Buy' (Indian) category to have minimum 30% indigenous content if the systems are being integrated by an Indian vendor.

On an average,the expenditure on capital acquisition from indigenous sources has been above 71% during last three years.